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GOVERNMENT DOCUMENTS

Annual
Report
1984

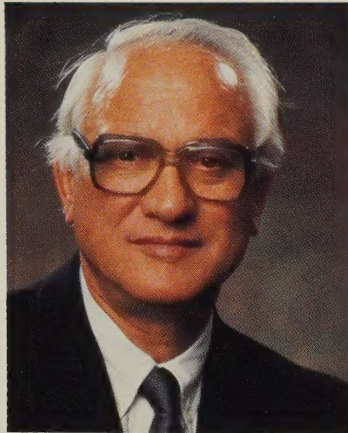


The Hamilton
Harbour
Commissioners



A year of anniversary celebrations during 1984 highlighted the Port of Hamilton in many ways. The Hamilton Harbour Commissioners were most pleased to be involved in the acknowledgement of the Anniversaries of the St. Lawrence Seaway, the Hamilton-Wentworth Region and the Province of Ontario.

REPORT OF THE CHAIRMAN



The Hamilton Harbour Commissioners are pleased to present our 1984 Annual Report.

1984 will be remembered as the year the economy brightened in Canada. The shipping industry, being a major economic barometer, saw both import and export cargos shift back to a more consistent volume. During the 1984 shipping season, with overall tonnage up over 1983, the port's financial position improved considerably, and the port returned to its traditional level of earnings.

In 1984 we celebrated the 25th Anniversary of the St. Lawrence Seaway. We recall how the opening of the Seaway in 1959 launched the Port of Hamilton's role as a truly international seaport. The port is committed to improving the efficiency of the Seaway system so that the Great Lakes can continue to reap the benefits associated with an increasing share of the world marine trade. The Province of Ontario and the Regional Municipality of Hamilton-Wentworth also celebrated their 200th and 10th Anniversary respectively. It is fitting that these Anniversaries coincide with that of the Seaway since much of the prosperity enjoyed in this geographical area is due to the benefits brought about by the Seaway system and the Port of Hamilton.

The Commissioners expended a total of 3.067 million dollars in 1984 on improvements to the facilities at the Port of Hamilton, 3.050 million dollars of these funds were provided by the Government of Canada. The Commissioners are grateful for the assistance. We are mindful of the spin-off effect into our local economy that occurs with expenditures of this magnitude.

The Port was successful in defending against an action in the Courts brought by the City of Hamilton to assess taxes against lands occupied by the Commissioners. The favourable resolution of this matter ensures the continued ability of the Port to operate its overseas terminals and compete for cargos on the world markets. Hopefully, this marks the end to all litigation between the Hamilton Harbour Commissioners and the City of Hamilton.

The Commissioners are also proud of the role Hamilton Harbour plays in the recreational life of the citizens in the Hamilton area. The Marine Dockyard remains one of the leading full service marinas on the Great Lakes. Hamilton Harbour, being a natural protected harbour, is a favourite stop-over of visitor boaters and annually hosts a number of Racing Regattas. The Commissioners continued to operate their Sailing School in 1984. Celebrating our 10th season the School attracted 1,750 enthusiastic participants and has become a leader in sail training for both adult, youth, disabled and able bodied persons. This year the School was successful in extending its programmes to the Hamilton-Wentworth School Board and the Catholic Childrens Aid Society.

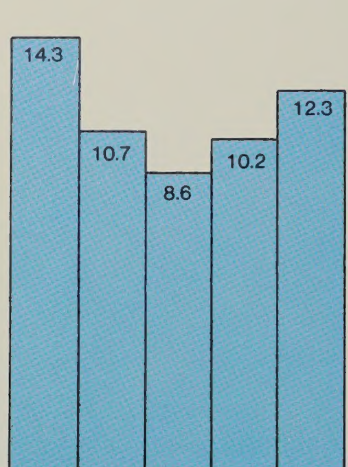
The Commissioners were also pleased to co-operate with Hamilton-Wentworth Region to bring the Tall Ships into the port in celebration of the various Anniversaries I have mentioned previously. In a very festive mood 40,000 spectators watched the Tall Ships flotilla grace the waters of the harbour. The port was honoured to have the Prime Minister of Canada among the group of dignitaries taking the salute of these classic sailing vessels.

On behalf of the Board of Commissioners I wish to announce the retirement, in 1984, of Earl M. Perkins from the Port of Hamilton. During his 21 year career with the port, Mr. Perkins held various positions culminating with that of Port Director for the past 15 years. Earl's tenure at the port has seen the development of no less than 5 overseas cargo piers, the commencement of our East Port development, expansion of our Marine Dockyard, the construction of the public launching ramp and the founding of the Commissioners' Sailing School. On a personal note, I thank Earl for his guidance and assistance. The position of Port Director has been assumed by Robert Hennessy. Bob was Earl's Assistant for the past two years and had previously been with the port for 10 years as Port Engineer. Again, on a personal note, I am sure that Bob will carry on the excellent tradition of Earl Perkins as they are of the same caliber.

In closing my report for 1984, as always, I wish to express my thanks to my fellow Commissioners Peter Flaherty and Mowbray Alway; and to the staff for their ongoing efforts, support and loyalty.

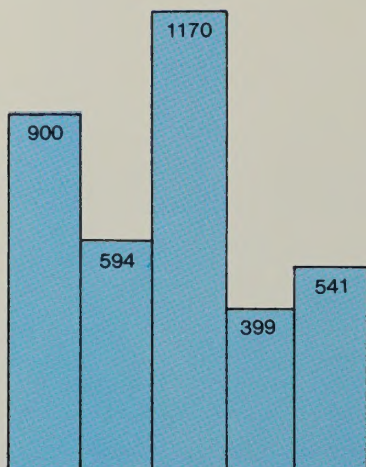
A handwritten signature in blue ink that reads "John L. Agro".

John L. Agro, Q.C.
Chairman



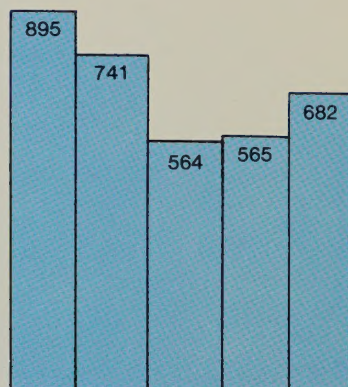
1980 1981 1982 1983 1984

Total Tonnage
(metric tonnes in millions)



1980 1981 1982 1983 1984

Overseas Tonnage
(metric tonnes in thousands)

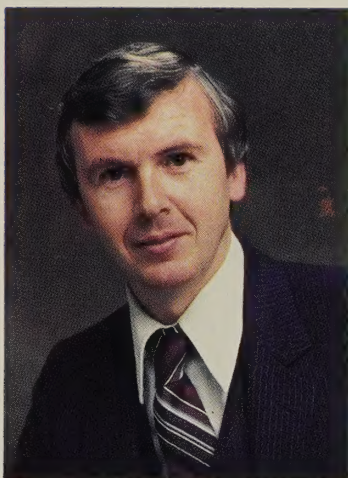


1980 1981 1982 1983 1984

Vessel Arrivals
(number of ships)



PORT DIRECTORS REPORT



As the Canadian business climate generally improved during 1984, similarly, the Port of Hamilton experienced a rebound in cargo movements and revenues. Total tonnage moving through the harbour climbed to 12.33 million tonnes, a substantial increase over that of 1983. Always an important economic indicator the Port's overseas trade was up significantly in 1984 to 541,000 tonnes.

The shipping season opened on April 2nd with the lake carrier "Manitoulin", the first of 682 ships to visit the Port during the year. It was closely followed by the "Rubens" the first overseas vessel, discharging at Pier 10. One noteworthy vessel to call during 1984, was the "Roll Galicia" which made its first call at the Port's Ro-Ro terminal to load seven off-road mining trucks destined for South America.

Improved business in 1984 is due, in part, to the Port's philosophy of extending complete service and flexibility to our customers. Of course, a skilled work force is a key element of this service, and the International Longshoremen's Association, Locals 1654 and 1879 worked with dedication throughout the shipping season.

Port construction forged on during the year with work at East Port leading the way. Milestone events included the completion of the first shipping berth at Pier 25, the finalization of site services, and the opening of traffic of the road/rail bridge connecting Piers 24 and 25. It is also important to note that the Provincial contract to twin the skyway bridge over the entrance to the harbour is ahead of schedule. Completion of this project will greatly improve truck accessibility into East Port.

In the recreational area, the Port's full service marina operated at its usual full capacity during the 1984 boating season. Extensive use was made of the Port's public launching ramp by both fisherman and pleasure boaters alike.

The Port continued to support such organizations as the Canadian Port and Harbour Association, the International Association of Great Lakes Ports, and the American Association of Port Authorities during 1984. The Port was also active in its role as the lead agency in the Port of Hamilton Oil Spill Control Group.

In closing this business report for 1984, I would be remiss if I did not thank, on behalf of the entire staff, Mr. Earl Perkins. Earl retired this year after 15 years as Port Director. His leadership over the years has earned both the respect and friendship of the total Port community. We all wish him the best of everything in the years to come.

A handwritten signature in blue ink, reading "R.R. Hennessy". The signature is stylized, with the first letters of the first and last names being large and prominent.

R.R. Hennessy, P.Eng.
Port Director

FINANCIAL STATEMENTS

BALANCE SHEET AS AT DECEMBER 31, 1984 (with comparative figures for 1983)

ASSETS

CURRENT

	1984	1983
Cash	\$ 147,211	\$ —
Accounts receivable	2,181,362	782,509
Accrued interest receivable	719,596	420,544
Inventory	78,299	75,139
Prepaid expenses	43,771	45,971
	<u>3,170,239</u>	<u>1,324,163</u>

INVESTMENTS APPROPRIATED FOR

FUTURE HARBOUR IMPROVEMENTS (note 3)	10,200,000	9,200,000
FIXED		
Land, docks and harbour improvements	24,895,354	24,869,066
Buildings	5,846,756	5,814,249
Equipment and vessels	4,164,621	4,158,631

	34,906,731	34,841,946
Less accumulated depreciation	15,740,373	14,743,266

	19,166,358	20,098,680
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CAPITAL DEVELOPMENT IN PROGRESS	6,710,957	3,722,971
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	25,877,315	23,821,651
	<u>\$39,247,554</u>	<u>\$34,345,814</u>

LIABILITIES

CURRENT

	1984	1983
Bank indebtedness	\$ —	\$ 18,474
Accounts payable and accrued liabilities	1,723,413	397,267
Current portion of long-term debt	199,845	191,496
	<u>1,923,258</u>	<u>607,237</u>

LONG-TERM (note 5)

Debentures payable —		
Government of Canada, 4-1/8%, to be redeemed before the year 2005	775,000	825,000

Loan payable —		
Government of Canada, due December 31, 1987, semi-annual instalments of blended principal and interest		
at 5-9/16%	192,368	262,232
at 6-1/16%	198,905	270,536

	1,166,273	1,357,768
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Less current portion shown above	199,845	191,496
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	966,428	1,166,272
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TOTAL LIABILITIES	<u>2,889,686</u>	<u>1,773,509</u>
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CAPITAL

GENERAL CAPITAL	26,157,868	23,372,305
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ALLOCATION FOR FUTURE HARBOUR IMPROVEMENTS (note 3)	10,200,000	9,200,000
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	36,357,868	32,572,305
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	<u>\$39,247,554</u>	<u>\$34,345,814</u>
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STATEMENT OF GENERAL CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 1984
(with comparative figures for 1983)

	1984	1983
GENERAL CAPITAL — BEGINNING OF YEAR	\$23,372,305	\$21,181,463
Add — contributions from tenants	5,515	—
— grants from federal government (note 4)	3,050,076	1,789,568
— excess of revenue over expenses for the year	729,972	4,501,274
	<u>27,157,868</u>	<u>27,472,305</u>
Appropriation for future harbour improvements.	1,000,000	4,100,000
GENERAL CAPITAL — END OF YEAR	<u>\$26,157,868</u>	<u>\$23,372,305</u>

STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1984
(with comparative figures for 1983)

	1984	1983
REVENUE		
Harbour operations	\$1,107,033	\$ 845,995
Terminals	1,483,861	900,199
Rental income	1,758,716	1,655,250
Marine dockyard	837,150	800,880
Sundry income	1,077,318	797,871
TOTAL REVENUE	<u>6,264,078</u>	<u>5,000,195</u>
OPERATING EXPENSES		
Harbour operations	769,819	779,068
Terminals	1,062,523	1,030,178
Rental expenses	333,730	332,870
Marine dockyard	602,114	637,996
Depreciation of docks, buildings and equipment.	1,004,030	1,054,409
TOTAL OPERATING EXPENSES	<u>3,772,216</u>	<u>3,834,521</u>
GROSS OPERATING MARGIN	2,491,862	1,165,674
ADMINISTRATIVE, OFFICE AND GENERAL EXPENSES	1,699,414	1,494,432
INTEREST ON LONG-TERM DEBT	62,476	130,425
EXCESS OR (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE EXTRAORDINARY ITEM	729,972	(459,183)
EXTRAORDINARY ITEM		
Gain on sale of land for twinning of Burlington Skyway Bridge	—	4,960,457
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 729,972</u>	<u>\$ 4,501,274</u>

AUDITORS' REPORT

To the Hamilton
Harbour Commissioners

We have examined the balance sheet of The Hamilton Harbour Commissioners as at December 31, 1984 and the statements of revenue and expenses, general capital and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Hamilton Harbour Commissioners as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Spicer MacGillivray

CHARTERED ACCOUNTANTS.

March 21, 1985

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1984

(with comparative figures for 1983)

	1984	1983
WORKING CAPITAL PROVIDED		
Excess of revenue over expenses	\$ 729,972	\$ 4,501,274
Items not affecting working capital in the current year —		
Depreciation	1,004,030	1,054,409
Net (profit) loss on fixed asset disposals	5,925	(4,962,857)
Total working capital provided from operations	1,739,927	592,826
Proceeds from disposal of fixed assets	1,937	4,975,899
Contributions from tenants	5,517	—
Government grants	3,050,076	1,789,568
	<u>4,797,457</u>	<u>7,358,293</u>
WORKING CAPITAL APPLIED		
Increase in fixed assets	3,067,558	2,247,838
Reduction of long-term liabilities	199,844	1,656,278
Increase in investments appropriated for future harbour improvements	1,000,000	4,100,000
	<u>4,267,402</u>	<u>8,004,116</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>530,055</u>	<u>(645,823)</u>
WORKING CAPITAL AT BEGINNING OF YEAR	<u>716,926</u>	<u>1,362,749</u>
WORKING CAPITAL AT END OF YEAR	<u>\$ 1,246,981</u>	<u>\$ 716,926</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1984

1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Revenue and expenses are accounted for on the accrual basis.
- (b) Fixed Assets and Depreciation —
Fixed assets are recorded at acquisition cost.
Depreciation is provided on a straight-line basis at the following rates:
Docks and improvements — 2%, 5%, 10%, 20%
Buildings — 2-1/2%, 5%, 10%, 20%
Vessels and equipment — 10%, 15%, 20%
- (c) Inventory — Inventory is recorded at actual cost on a first-in, first-out basis.
- (d) Grant Recognition —
Capital grants are recorded, when receivable, as an increase in General Capital.

2. CONTINGENT LIABILITY

The City of Hamilton has challenged in the courts the exemption of Hamilton Harbour Commissioners' properties from municipal assessment and taxation, as provided for in the Assessment Act. This action has been successfully defended but is under notice of appeal.

3. APPROPRIATION FOR FUTURE HARBOUR IMPROVEMENTS

During the year, the Commissioners appropriated a further \$1,000,000 of general capital for future harbour improvements, resulting in a total reserve of \$10,200,000 for this purpose. These funds are intended for future capital expenditures including the development of piers 25, 26 and 27 — Eastport Development.

This fund consists of bank deposit receipts and treasury bills in the amount of \$10,200,000. In 1984, the Commissioners approved a five-year capital budget of \$24,500,000.

4. EASTPORT DEVELOPMENT

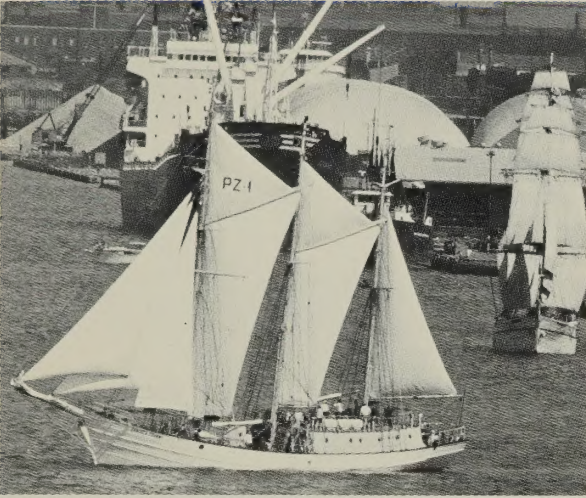
In 1983 the Commissioners received a commitment from the Federal Government to assist in financing the Eastport Development. An amount of \$3,050,000 was received or receivable in 1984 and a further \$3,200,000 has been provided in the capital budget, as anticipated grants from this source in future years.

5. LONG-TERM DEBT

The aggregate amount of repayments on the long-term debt due within the next five years is as follows:

1985 —	\$199,845	1986 —	\$208,687	1987 —	132,740
1988 —	50,000	1989 —	50,000		

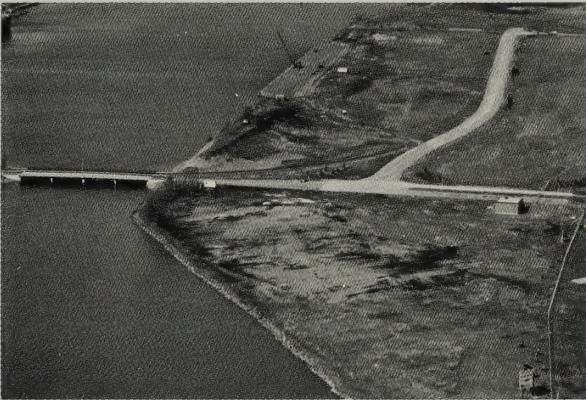
THE PORT OF HAMILTON, CANADA



The Tall Ships, sponsored by the Provincial Bicentennial Committee, visited the Port of Hamilton as part of a journey which began in Hamilton, Bermuda. The Hamilton Harbour Commissioners working in conjunction with the Hamilton-Wentworth Region provided services and facilities for the 13 ships involved in this festive event which attracted over 40,000 people.



The Hamilton Harbour Commissioners Sailing School completed another successful season in 1984. Located in the Commissioners Pier 8 Park, the sailing school operates 32 sailboats ranging in size from 8 feet to 24 feet and introduces some 1700 students per year to the enjoyment of sailing.



During June 1984, a connecting bridge between Pier 24 and Pier 25 was completed. As well the completion of new rail and roadway approaches brings access to the newly developing East Port area. Construction also began on a 244 metre section of new dockwall at East Port which will provide Seaway draft dockage to Stage 1 of this development.



Pier 12 was reopened in 1983 after the Commissioners \$7 million redevelopment plan. It is now occupied by Seaway Terminals and United Co-Operatives of Ontario. Seaway Terminals has been actively expanding the ports covered storage capacity on Pier 12 in 1984 by some 5,250 square metres of structure including its new office facility.

CANADA'S HEARTLAND HARBOUR

Position:

43° 14' North, 79° 51' West, at the west end of Lake Ontario. Four mile (6.4 km) long and up to three and one half miles (5.6 km) wide.

Servicing:

CN and CP rail systems
Hamilton Civic Airport
Lester B. Pearson International Airport
Major and Independent Motor Truck Carriers

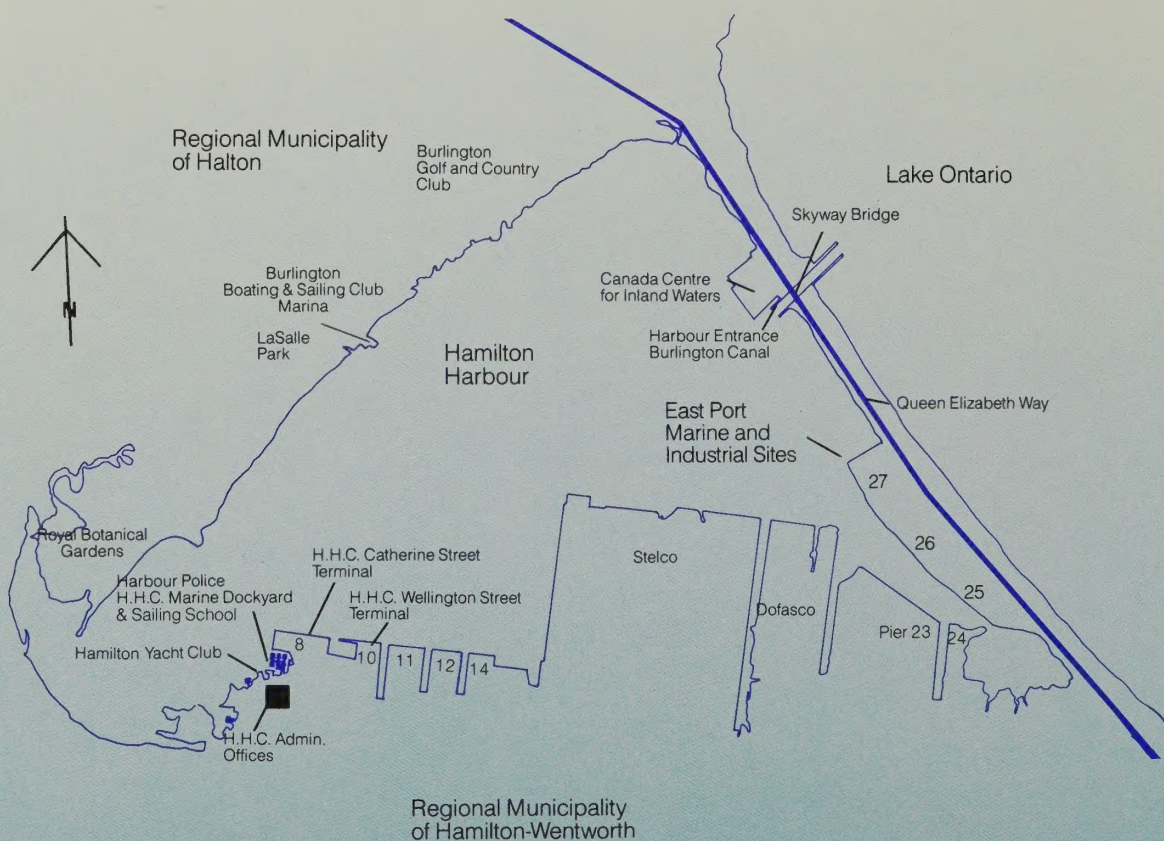
Berthing:

Sheltered Anchorage — 9098 metres of docking facilities, with drafts to all seaway requirements.

Completely Serviced Berthing — for ships up to 222 metres by 23 metres on 8 metres draft. Big enough for the biggest cargo-carriers, with full tug work boat and Chandler support.

Year-round Security and Storage — 89,482 square metres of warehousing, 276,870 square metres of shipping and transit storage compounds.

Cargo-handling — Heavy lift capability. Roll-on & roll-off facilities. Handling for both "20 ft." and "40 ft." containers. Stevedoring services through principal contractors.



HAMILTON PUBLIC LIBRARY



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John L. Agro, Q.C.

Chairman

B.M. Alway

Commissioner

Peter T. Flaherty

Commissioner

R.R. Hennessy, P. Eng.

Port Director



The Hamilton
Harbour
Commissioners

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